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## ARTICLES:

(1) Poll on Japan's Constitution

YOMIURI (Page 12&13) (Full) April 8, 2008

Questions & Answers (Figures shown in percentage)

Q: What's your interest in the Constitution of Japan? If there's anything you are particularly interested in, pick as many as you like from among those listed below.

The Emperor and imperial household 20.1 Japan's war renunciation, Self-Defense Forces 46.9 Equality, discrimination 17.6 Freedom of speech, press, and all other forms of expression 10.6 Information disclosure 11.8 Privacy protection 15.3 The right to live in peace, social welfare 18.8 Environmental disruption 31.0 The rights to assemble, demonstrate, and strike 2.1 Electoral system 10.7 The right of access to the courts 20.4 Official visits to Yasukuni Shrine 15.0 Constitutional revision 13.0 Separation of the three powers of administration, legislation, and judicature 4.6 Local autonomy 13.0 The Diet's bicameral system 6.8 The process and background of establishing the Constitution 4.3 Other answers (O/A) + nothing in particular (NIP) + no answer (N/A) 15.5

Q: Do you think it would be better to amend the Constitution?

Yes 42.5 No 43.1 N/A 14.4

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Q: (Only for those who answered "yes" to the foregoing question) Why? Pick as many reasons as you like from among those listed below.

Because it's a U.S.-imposed constitution 31.2 In order to expressly stipulate Japan's right of self-defense and the existence of the Self-Defense Forces 24.5 Because there are too many cases claiming rights while neglecting obligations 24.6 Because the conventional way of reading or applying the Constitution's provisions would lead to confusion if and when there is a need to meet situational changes 30.8 Because Japan is expected to make international contributions, and there are also various challenges Japan cannot meet under its present-day constitution. 45.2 O/A 3.0 N/A 2.0

Q: (Only for those who answered "no" to the foregoing question) Why? Pick as many reasons as you like from among those listed below.

Because the Constitution has already taken root in the nation 42.7 Because the Constitution is of a pacifist nature, Japan can be proud of it in the world 52.5

Because the Constitution guarantees fundamental human rights and democracy  $26.6\,$ 

Because the Constitution can be interpreted or applied in a flexible way with changing times 17.8

Because revising the Constitution may pave the way for Japan to turn into a military power 27.3

O/A 0.9 N/A 1.0

Q: The Constitution's Article 9 stipulates that Japan renounces war and will never maintain any war potential. The government has so far responded to relevant problems with its interpretation and application of the article. What do you think the government should do about Article 9 from now on? Pick only one from among those listed below.

The government should continue with its interpretation and operation of Article 9 36.2

The government's conventional way of responding to problems with its constitutional interpretation and operation has now reached its limit, so Article 9 should be amended 30.7

The government should strigtly abide by Article 9 and should not

The government should strictly abide by Article 9 and should not respond to problems via interpretation or operation 23.9

O/A 0.3 N/A 8.9

Q: The Constitution's Article 9 has two paragraphs. The first paragraph stipulates Japan's war renunciation. Do you think this paragraph should be amended?

Yes 12.5 No 81.6 N/A 5.9

Q: The second paragraph in Article 9 stipulates Japan's maintenance of no war potential. Do you think this paragraph should be amended?

Yes 36.8

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No 54.5 N/A 8.6

Q: The government has been taking the position that although Japan has the right to collective self-defense, the Constitution does not allow Japan to exercise this right. What do you think about this? Pick only one that is closest to your opinion from among those listed below.

The Constitution should be amended so that Japan can exercise the right of collective self-defense 18.7 The Constitution should be reinterpreted so that Japan can exercise the right of collective self-defense 22.1 Japan should continue as it has done and need not be allowed to use the right of collective self-defense 51.6 O/A 0.3 N/A 7.3

Q: The government used to create a special law whenever it needed to send SDF members for a long period of time on overseas missions other than Japan's participation in United Nations peacekeeping operations. Do you think Japan should instead have a permanent law that prescribes general rules for Japan to send SDF members overseas as needed?

Yes 46.0 No 42.1 N/A 11.9

Q: The Constitution stipulates the Diet shall consist of two houses, namely the House of Representatives (lower chamber) and the House of Councillors (upper chamber). There are various arguments about this bicameral parliamentary system. Pick only one that is closest to your opinion.

The Diet should change its bicameral-chamber system to the unicameral-chamber system 18.8 The bicameral-chamber system should be maintained, and the House of Representatives' role and authority should be strengthened 12.5 The bicameral-chamber system should be maintained, and the House of Councillors' role and authority should be strengthened 17.5 The Diet should maintain its current two-chamber system as is 44.2 O/A 0.3 N/A 6.6

Q: The Constitution stipulates that a bill passed by the House of Representatives is rejected in the House of Councillors becomes a law when passed a second time by the House of Representatives by a majority of two-thirds or more of the members present. Pick only one that is closest to your opinion.

It's only natural to take a second vote 9.7 It's unavoidable to take a second vote 35.6 It would be better to avoid taking a second vote as far as possible

33.8 The lower chamber should avoid taking a second vote 14.1

Q: The National Referendum Law, which stipulates procedures for constitutional revision, will be enforced in two years. Last August, the Diet set up a panel in both houses to discuss the Constitution. Do you think all political parties should further discuss the

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Constitution?

Yes 70.8 No 19.3 N/A 9.9

Q: The Civil Code sets the coming of age at 20. Premised on lowering this age to 18, the National Referendum Law allows those aged 18 and over to vote on constitutional revision. Do you think it would be better to allow those aged 18 and over to vote on constitutional revision?

Yes 36.2 No 59.7 N/A 4.1

Q: If there's anything you think it would be better to revise in the Constitution or add to the Constitution, pick as many as you like from among those listed below.

The Emperor's status 14.1 Japan's maintenance of armed forces for self-defense 26.5 Proactive international cooperation 19.5 Right to access government information 19.1 Privacy protection 17.7 Respect for family 12.7 The right to live in a good environment 25.3 The prime minister's strengthened powers to deal with emergencies, etc. 13.0
The lower and upper houses' respective roles 14.7 Central and local government roles 22.1 Establishment of a constitutional court 5.1 O/A 0.2NIP 24.4 N/A 4.5

Polling methodology

Date of survey: Mar. 15-16. Subjects of survey: 3,000 persons chosen from among all eligible voters throughout the country (at 250 locations on a stratified two-stage random-sampling basis).

Method of implementation: Door-to-door visits for face-to-face interviews.

Number of valid respondents: 1,786 persons (59.5 PERCENT ) Breakdown of respondents: Male-46 PERCENT , female-54 PERCENT ; persons in their 20s-9 PERCENT , 30s-14 PERCENT , 40s-15 PERCENT , 50s-21 PERCENT , 60s-23 PERCENT , 70 and over-18 PERCENT ; big cities (Tokyo's 23 wards and government-designated cities)-22 PERCENT, major cities (with a population of more than 300,000)-19 PERCENT , medium-size cities (with a population of more than 100,000)-24 PERCENT , small cities (with a population of less than 100,000)-24 PERCENT , towns and villages-11 PERCENT .

(2) Yellow card given to fiscal reconstruction with start of debate on reform guidelines for 2008 at CEFP

NIKKEI (Page 5) (Full) April 9, 2008

The government launched discussion at a session yesterday of the Council on Economic and Fiscal Policy (CEFP) to establish reform guidelines for 2008 commonly called the "big-boned reform policy for

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2008," which will be the first such to be compiled under the Fukuda administration. Fiscal reconstruction is supposed to be central to the reform guidelines, but a "yellow card" has been already given to it. In the first place, calls for expanding the social welfare budget and the official development assistance (ODA) budget are growing stronger. Second, now that the economy is slowing down, it is difficult to bring up the question of tax hikes. The government wants to highlight Prime Minister Fukuda's imprint by coming up with an economic growth strategy, as well as measures to deal with global warming, but a delay in achieving the goal of rebuilding the national economy could rattle the Fukuda administration at its very foundation.

No increase in revenues expected due to economic sluggishness

The reform guidelines are expected to be compiled by the end of June so that they will be reflected in next fiscal year's budget compilation. The reform guidelines for 2006, compiled under the days of the Junichiro Koizumi administration, specified numerical targets to constrain and reduce annual expenditures in order to move the primary balance into the black in fiscal 2011. At the CEFP meeting yesterday, one private-sector council member insisted on the need to firmly maintain those numerical targets. Finance Minister Fukushiro Nukaga, as well, echoed that member's view, by saying, "I think it is important to continue reform in line with the 2006 reform quidelines."

The government achieved the numerical targets in its 2007 and 2008 budgets. But the achievement was made in the way for the private sector to shoulder the government's burdens in such areas as social welfare.

As for next fiscal year's budget, Health and Welfare Minister Yoichi Masuzoe has sought to reconsider the current policy of constraining annual expenditures. Some other cabinet members, as well, have been opposed to the current policy. Prime Minister Yasuo Fukuda, too, said in his Diet replies made in late February that "it would be difficult to continue" slicing the social welfare budget. Concern is eventually growing stronger that the target of constraining annual expenditures may slacken.

Regarding the budget for public works projects, the target is set to keep a 1-3 PERCENT cut on a year-on-year basis. The budget has been cut more than the target until the fiscal 2008 budget. But calls for expanding the budget are smoldering in the ruling bloc with an eye on the start of the construction of new Shinkansen lines.

In the case of the ODA budget, it has continued to be trimmed; as a result, Japan fell from third to fifth place among the major donors in 2007 in terms of net ODA. Foreign Minister Masahiko Koumura, speaking of ODA, indicated his determination to increase the ODA budget, saying, "I aim to let the budget bottom out and then turn it upward."

Meanwhile, annual revenues are unlikely to expand so easily. With the world economy slowing down, a risk scenario is taking on a touch of real possibility. Any natural increase in tax revenues owing to economic recovery is not expected at present.

Given all these factors, it seems difficult to attain the target of moving the primary balances of the central and local governments into the black in fiscal 2011. Even if the central government

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achieves the target of a nominal 2 PERCENT or more economic growth rate and reduces annual expenditures by 14.3 trillion yen for five years from fiscal 2007, there will be still a shortage of 700 billion yen (in tax revenues).

In order to make up for the shortfall, tax hikes will be necessary, but at a time when the economy has leveled off, it is highly difficult to raise the consumption tax, which could kill consumer spending.

At the CEFP meeting yesterday, one private-sector council member proposed: "Regarding portions of the expenses for social welfare and

measures for the declining birthrate the government can't cover despite reform of annual expenditures, one idea is to discuss this matter along with a drastic reform of the tax system." State Minister in Charge of Economic and Fiscal Policy Hiroko Ota, as well, told a news conference that she wanted to start debate on the matter as quickly as possible at the government's Tax System Research Council.

Debate on the tax system involves reform of the pension programs, on which there is the argument of whether to adopt a formula of financing basic pension entirely from tax revenues. Because the reform of the pension systems is discussed at the National Council on Social Welfare (NCSW), a panel recently established at the order by Fukuda, it is not possible for the CEFP to first deal with the matter ahead of the (NCSW).

(3) Giving top priority to saving Ozawa's face, DPJ decides to reject Watanabe's nomination for deputy BOJ governor

YOMIURI (Page 3) (Abridged) April 9, 2008

The major opposition Democratic Party of Japan (DPJ) decided yesterday to reject the government's plan to appoint Hiroshi Watanabe, a professor at Hitotsubashi University and a former vice-finance minister for international affairs, as a deputy governor of the Bank of Japan. The party seems to have made the decision in order to save the face of President Ichiro Ozawa, who had expressed opposition to Watanabe's appointment, citing the need to terminate the practice of amakudari, or placing retired senior bureaucrats into high-paying posts at private and public entities. Even so, in the party's financial affairs department meeting and Diet approval subcommittee session yesterday, a majority of members voiced positive views about endorsing Watanabe. The matter could trigger internal conflict.

Ozawa at party headquarters yesterday evening ordered Secretary General Yukio Hatoyama to ensure that party members would not rebel against the party decision in the upcoming plenary sessions of the two chambers of the Diet, saying: "We must not allow the Liberal Democratic Party to cause a serious schism in our party."

Upper House executives later called on party members to warn them not to go against the party decision.

Indeed, LDP executives dined last night with some junior DPJ members as part of their effort to cause a rift in the largest opposition party. A DPJ executive noted, "Only a few might go against the party decision. Still, the main opposition party remains on high alert against the ruling bloc's moves.

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The DPJ financial affairs department also held a meeting last evening. After the session, an attendant indicated that 50 PERCENT of the members supported Watanabe's appointment, 30 PERCENT remained neutral, and 20 PERCENT opposed it. Despite that, the department eventually decided to leave the matter to Masaharu Nakagawa, the DPJ's finance minister in its shadow cabinet, without forming a consensus. A member, who opposed Watanabe's appointment in the meeting, said: "I opposed it so as not to drive Mr. Ozawa into a corner."

Positive views about Watanabe's nomination were also dominant in the Diet approval subcommittee meeting. Even so, the panel decided to entrust the mater to the Diet affairs officers' council. The council in turn forwarded the matter to the four top DPJ executives, who in a rare move decided to reject Watanabe's nomination in the end.

A subcommittee member, who had insisted on endorsing Watanabe, disgustingly said last night: "It is nonsense for the party to lose unity over a government post that does not result in even a single vote."

Discord in the DPJ resulted from a television program on April 6, in which Ozawa balked at Watanabe's nomination. Hatoyama, on the other

hand, indicated that he would unity views in the party in endorsing Watanabe, saying, "About 80 PERCENT to 90 PERCENT of the party members are in favor of his nomination." After all, Watanabe was one of the five individuals Hatoyama had presented to the ruling camp as "agreeable persons." As for Ozawa, who had declared to end the amakudari practice, he could not afford to let the party endorse him easily, for such would tremendously weaken his grip on the party.

Ozawa's mind was also hardened by positive views expressed by many members of the Diet approval subcommittee, chaired by former Policy Research Committee Chairman Yoshito Sengoku, who is keeping himself at arms' length with Ozawa.

Advocating the principle of keeping fiscal and monetary policymaking separate, Sengoku and others played a central role in guiding the DPJ to rejecting Toshiro Muto and Koji Tanami. Ozawa was initially leaned toward endorsing Muto, but he eventually rejected his nomination by citing the principle of separation of monetary and fiscal policies. Ozawa sees the influence of the anti-Ozawa group behind the move to endorse Watanabe, also a former Finance Ministry official, according to an Ozawa aide.

Upon hearing the results of the financial affairs department meeting, Ozawa roared: "The decision to endorse a former vice-finance minister for international affairs but not a former vice-finance minister is illogical."

(4) Political stalemate (Part 2): Interview with Naoki Tanaka, president of Center for International Public Policy Studies; Vacancy in BOJ governorship more of a crime

NIKKEI (Page 1) (Full) April 8, 2008

-- The now vacated post of Bank of Japan (BOJ) governor is set to be filled at last.

The creation of a vacancy in the post of BOJ governor is more of a TOKYO 00000975 008 OF 010

crime than the expiration of the provisional road-related tax rates. This is a typical case showing that politics is becoming dysfunctional. Countries all over the world have referred to this situation. It has become a great inconvenience internationally, and has definitely undermined confidence in Japan. The government must prevent the leadership vacuum at BOJ from becoming prolonged.

-- BOJ Deputy Governor Masaaki Shirakawa's promotion is now certain.

It is difficult for a civilian to assume the BOJ governorship without a preparatory period. I think this process is unavoidable. Shirakawa once worked for the BOJ where he had experience in managing monetary policy. But I think his stance as BOJ governor will be questioned.

Given the ongoing financial crisis that originated from the U.S., the capability of dialogue with the market naturally is drawing much attention. Under the current circumstances, politics can move just automatically, and it is impossible to carry out fiscal reform. If this situation is prolonged, Mr. Shirakawa might have to play the role that should be fulfilled by politicians. (During his tenure,) U.S. Federal Reserve Board (FRB) Chairman Volcker continued to urge the Reagan administration to reduce the nation's fiscal deficit. Mr. Shirakawa might be expected to perform a similar role.

-- Who is responsible for having created a vacancy in the post of BOJ governor?

Prime Minister Yasuo Fukuda believed that there would be no problem with appointing someone from among former Finance Ministry or BOJ officials, so he made no prearrangements, I think. It was also problematical that the Liberal Democratic Party and the Democratic Party of Japan, without setting clear-cut rules, left the selection process hanging in the air.

Although the selection of a BOJ governor is not done through an election, it is desirable to fully discuss what duties should be entrusted to that officer. Since the latter half of the 1980s, the BOJ and other institutions have committed a number of policy blunders. There are deep-seated calls for setting rules designed to make monetary policy more transparent. The idea of introducing an inflation target, which is a numerical target in order to achieve price stability, might become a controversial issue. I personally am against it.

 $\,$  -- The expiration of the provisional tax rates also represents the current political stalemate.

This has imposed an extremely heavy burden on the petroleum industry. Officials in charge of the budget have been subjected to extra work. But in order to get the public to understand the issue of using special tax revenues for highway construction projects, the current fiasco may have been unavoidable. The uproar over gasoline prices might be deemed as a kind of tuition fee to make people think about the issue.

Particularly, the prime minister is paying a high tuition fee, but he seems to be getting a feel for changing the pinch into a chance. Many LDP members are opposed to the idea of opening the road-related tax revenues for general use. Even former Prime Minister Junichiro Koizumi, who privatized postal services, remained unable to address

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the issue of the integration of road revenues (into the general account budget). If there had been no talks with the DPJ, which controls the Upper House, Fukuda would have been unable to propose starting the integration of road revenues in FY2009.

-- Do you think it will become necessary to dissolve the House of Representatives?

The current situation of a politically divided Diet may continue even after the next House of Representatives election. The ruling camp may fail to secure two-thirds of all the seats in the Lower House and eventually may become dysfunctional. The voters might be considering what sort of lawmakers would be able to break the current impasse. Once the voters begin to express their views, the government may have no choice but to head toward an election.

(5) USAID Administrator Fore: Good balance between democracy and economic growth important for African development

Hokkaido SHIMBUN (Page 5) (Full) April 9, 2008

The fourth round of the Tokyo International Conference on African Development (TICAD) that took place on April 5-6 discussed the development of Africa that is enveloped in poverty. Newly industrializing countries also participated in the international conference. This newspaper interviewed the United States' representative to hear what the U.S. considers important in dealing with African development.

Henrietta H. Fore, administrator of the U.S. Agency for International Development (USAID) and director of U.S. Foreign Assistance, responded as follows:

In Africa in recent years, small-scale companies have become remarkably active. Unlike big companies, however, it is difficult for small to medium sized businesses to access international capital markets. The Group of Eight (G8) countries have a framework of cooperation between the public and private sectors. Through the private sector, the G8 countries can contribute to Africa's stability and prosperity. If doing so, young Africans, after graduating from school, should be able to stay in their own countries, start their own companies and carve out the future of their countries.

Many countries on the African continent are now carrying out free, peaceful and democratic elections. Democracy brings about freedom, prosperity, and stability.

Achieving economic growth and democracy simultaneously leads to building a stable world. It also provides a means to deal with terrorism and conflict.

Everyone should be concerned about peace, security, and the fight against global terrorism. In order for African countries to protect their national security, activities that maintain peace through exercises are desirable. To that end, the role of international organizations, such as the United Nations, is important.

President George W. Bush has placed special emphasis on the need for good (uncorrupted) governments, in addition to democracy and elections. To fight AIDS, the Bush administration has come up with a

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special program, and is asking Congress for a budget of 30 billion dollars over five years. I hope that priority will be given to health issues at the Hokkaido Lake Toya Summit in July.

(6) Koumura downplays Maher remark

OKINAWA TIMES (Page 2) (Full) April 9, 2008

TOKYO-Foreign Minister Masahiko Koumura, attending a meeting of the House of Councillors Foreign Affairs and Defense Committee yesterday, downplayed U.S. Consul General in Okinawa Kevin Maher's recent remark, in which he said some politicians and groups were trying to make a "political issue" of the move to call for revising the Japan-U.S. Status of Forces Agreement. Koumura stated: "Being Japanese, I'm not very happy with it, but we can't go so far as to call it an intervention in our domestic affairs. The standpoints of the government, politicians, and political parties of Japan are not that fragile."

Koumura said he did not know in detail what Maher had said. He went on to explain: "It's my understanding that the consul general had meant to say the United States would make efforts to improve the SOFA's operation instead of revising it." Koumura was replying to a question asked by Tokushin Yamauchi from the Social Democratic Party.

(7) Koumura "unhappy" with Maher's remark over SOFA

RYUKYU SHIMPO (Page 2) (Full) April 9, 2008

TOKYO-Foreign Minister Masahiko Koumura attended a meeting of the House of Councillors Foreign Affairs and Defense Committee yesterday afternoon, during which he stated that he was "not very happy as a Japanese" with U.S. Consul General in Okinawa Kevin Maher's recent remark that criticized the move to revise the Japan-U.S. Status of Forces Agreement. Maher said, "It's regrettable that some politicians and groups are trying to make a political issue of it."

Koumura was replying to a question asked by Tokushin Yamauchi from the Social Democratic Party.

Koumura took the position that he was not aware of specifics about the remark. He added, "It's my understanding that he had meant to say the United States would make efforts to improve the SOFA's operation instead of revising it."

**MESERVE**